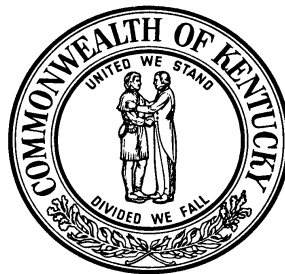


**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AGREED-UPON PROCEDURES ENGAGEMENT  
OF THE  
FORMER KENTON COUNTY  
PROPERTY VALUATION ADMINISTRATOR**

**For The Period  
September 1, 2007 Through August 29, 2008**



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CRIT LUALLEN  
AUDITOR OF PUBLIC ACCOUNTS

Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick S. Krey  
Former Kenton County Property Valuation Administrator  
Covington, Kentucky 41011

We have performed the procedures enumerated below, which were agreed to by the former Kenton County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period September 1, 2007 through August 29, 2008. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the former Kenton County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (August 29, 2008), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. The Auditor re-performed the August 29, 2008 bank reconciliation for all bank accounts. Amounts appear accurate.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

Recorded city receipts agreed to the confirmed amounts received from city governments. The list of cities appears complete.



Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick Krey  
Former Kenton County Property Valuation Administrator  
(Continued)

3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The budgeted statutory contribution by the fiscal court agreed to the required amounts calculated by the Department of Revenue. The fiscal court payments were properly recorded and were traced to the local bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Tested disbursements agreed to cancelled checks, paid invoices, or other supporting documentation. All expenditures, including credit card expenditures, appear to be for official business.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

There were no capital outlay expenditures during this period.

6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

There were no vehicle lease agreements, personal service contracts, or professional service contracts. There were two contracts for three copy machines. These were new contracts. Payments made thus far agreed to the amounts per the contracts. The services appeared to be appropriate and for official business.

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick Krey  
Former Kenton County Property Valuation Administrator  
(Continued)

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

The PVA did not overspend in any account series.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

Collateral was necessary for the PVA's funds. The PVA did not have a written collateral security agreement in place for his old bank. He does have one in place for his new bank.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets were completed, maintained, approved, and support hours worked.

10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

Cash balances were properly transferred from the former PVA to the acting PVA.

11. Procedure -

For newly hired employees, during September 1, 2007 through August 29, 2008, of the PVA office determine if the Ethics Certification Form has been completed and is on file.

Finding -

There were no newly hired employees during the audit period.

Jonathan Miller, Secretary, Finance and Administration Cabinet  
The Honorable Merrick Krey  
Former Kenton County Property Valuation Administrator  
(Continued)

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

The PVA's office was not closed any day other than the state's approved holidays.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Crit Luallen", with a long horizontal flourish extending to the right.

Crit Luallen  
Auditor of Public Accounts

September 3, 2008

